



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

JAN 25 2010

John Melby, Jr,
Bureau Director
Air Management
Wisconsin Dept. of Natural Resources
PO Box 7921
Madison, Wisconsin 53707-7921

REPLY TO THE ATTENTION OF:
A-18J

Re: Draft Permit # 09-MHR-206
Dairyland Power Coop – Alma Station

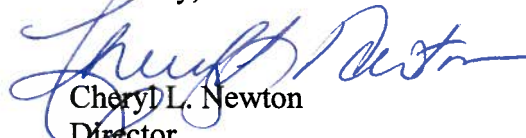
Dear Mr. Melby:

This letter concerns the draft synthetic minor New Source Review (NSR) permit for the Dairyland Power Coop – Alma Station, which the Wisconsin Department of Natural Resources (WDNR) issued for public comment on December 24, 2009. It is my understanding that, based on discussions between our respective staffs, Dairyland Power Coop – Alma Station commenced construction on certain emission units within the facility prior to obtaining appropriate construction permits. Therefore, the draft NSR permit that has been issued for public comment is an after-the-fact construction permit for modifications that have already taken place. The Wisconsin State Implementation Plan prohibits the construction of a modification to a stationary source prior to compliance with the New Source Review requirements set forth, *inter alia*, in NR 405.07 and NR 406.03.

Enclosed you will find comments on the draft permit. Commenting on the draft NSR permit should not be construed as an endorsement of issuing an after-the-fact construction permit, under this circumstance, to Dairyland Power Coop – Alma Station, nor of the practice of issuing after-the-fact permits in general. It is our intent to further investigate this permitting action.

We would appreciate a response to the enclosed comments. We look forward to continuing to work with you to discuss these issues. If you have any further questions regarding the comments, please feel free to contact me or Danny Marcus, of my staff, at 312-353-8781.

Sincerely,


Cheryl L. Newton
Director
Air and Radiation Division

Enclosure

cc: Andrew Stewart
Wisconsin Department of Natural Resources

Michael Ross
Wisconsin Department of Natural Resources

Comments on draft permit issued for public comment on December 24, 2009:

1) When establishing past actual emissions for boiler B27, WDNR used a baseline period from February 2002 – January 2004 to determine the emissions from boiler B27. AP-42 emission factors were used along with a record of B27's operating hours to determine the emissions from the boiler. Actual operating emission data (stack tests, CEM data, *etc.*) would provide a better representation of the emissions from the source. Does this actual operating data exist?

2) The permit record contains no analysis to determine emissions of PM_{2.5}. Only emissions of PM and PM₁₀ were evaluated. However, EPA is now regulating PM_{2.5}. PM₁₀ has been used as a standard surrogate for PM_{2.5} in the past, but now EPA is requiring direct analysis of PM_{2.5} unless a permitting authority and permit applicant can demonstrate that PM₁₀ is a reasonable surrogate. This is consistent with EPA's response to the recent Title V petition for Louisville Gas and Electric Company (Petition No. IV-2008-3, page 42). The permit record should examine emissions of PM_{2.5} or explain why PM₁₀ is a reasonable surrogate to use in place of evaluating PM_{2.5} directly (*see* petition).

3) The applicable opacity requirement for Boiler B27 is 20%. The permittee purports to demonstrate compliance with this limit on the sole basis that it fires distillate fuel oil to run its boiler. However, the permit record lacks any analysis that demonstrates how the use of distillate oil in boiler B27 will assure compliance with the applicable VE limitations.

4) The modification will potentially increase emissions of SO₂ and NO_x in excess of the significance thresholds. The statement of basis demonstrates that limiting fuel use (along with limiting sulfur content) will sufficiently limit emissions of NO_x and SO₂ to avoid triggering PSD. Although the permit establishes a limitation on fuel, it fails to explicitly list limitations for NO_x and SO₂. Since these particular criteria pollutants must be limited in order to avoid PSD, the permit must contain conditions that include a limitation on fuel as well as include the emission factors and/or the lb/hr limit used in the analysis. The permit should also contain monitoring methods that will be used to demonstrate compliance with the applicable NO_x and SO₂ permit limits.